

# DAILY BULLETIN

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## U.S. CONTINUES TO PRESS FOR ROBUST WTO NEGOTIATION RESULTS

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they head for Geneva

The following op-ed by U.S. Trade Representative  
Rob Portman and Deputy U.S. Trade Representative  
Susan Schwab was published in the May 1 edition of  
The Wall Street Journal. There are no republication  
restrictions.

(begin byliner)

### Free Trade Vision

By Rob Portman and Susan Schwab  
The Wall Street Journal - 1 May 2006

As expected, the World Trade Organization Doha talks  
have missed another deadline, this one to establish  
the framework for reducing trade barriers on goods --  
from corn to computers. The U.S. remains committed  
to finding ways to bridge differences between WTO  
members, and that is why we're in Geneva this week.  
We find that most countries share our desire for an  
ambitious result across the board. Most also agree this  
is a once-in-a-generation chance to reduce trade barriers  
and raise living standards, and we cannot allow it  
to slip away.

As has been the case from the start of the Doha Round  
four-and-a-half years ago, the U.S. remains committed  
to an ambitious and comprehensive multilateral  
agreement to expand trade and promote development.  
We do not think WTO members should settle for half

measures -- or "Doha Lite," as some have called it. The stakes are high for all WTO member countries, large and small, no matter what their stage of development. Developed countries like France, the U.S., Japan and Germany will benefit by being able to sell their products and services in more markets. A study by the University of Michigan estimated that with the total elimination of trade barriers Europe's annual GDP would increase by 6.3%, Japan's by 6.2% and America's by 5.5%. The potential gains are even greater for developing countries. The World Bank estimates that full liberalization would boost the incomes of developing countries, which comprise two-thirds of the WTO membership, by up to \$259 billion by 2015.

Agriculture remains a key to success. It was placed at the heart of Doha in 2001 because of its importance to the developing world and because agriculture has the highest barriers to trade. Over 70% of the poor living in developing countries live in rural areas and depend on agriculture to make their living. Not surprisingly, 63% of the income gains the world's poor would enjoy as a result of a successful round would come from more open trade in agriculture and 93% of those potential benefits and income gains depend on improved market access. The facts are clear. Without new trade flows from reduced tariffs, there is no development in the Doha Development Round.

In order to reach an ambitious result and jumpstart the talks, last October the U.S. offered a bold proposal to eliminate export subsidies in agriculture, make deep cuts in agricultural tariffs and sharply reduce trade-distorting domestic subsidies. This significant and forward-looking proposal carries political risks at home but we believed then -- and we believe now -- that these are risks worth taking given the importance of the round, particularly for developing countries.

Since that time, our trading partners have failed to match that offer with equally ambitious offers, putting progress on additional market opening for industrial goods and services at risk. The U.S. cannot keep its current offer on agriculture on the table -- let alone unilaterally agree to make deeper cuts to our domestic support programs -- without additional and substantial steps by the European Union and other major partners, including those in the developing world, to open their markets. As we have made clear for six months, the U.S. offer was contingent on WTO members meeting the clear Doha mandate for new market access and new trade flows across the board.

This means meaningful offers on market access in all three major negotiating areas -- agriculture, non-agricultural goods and services.

A seamless transition in the leadership at the Office of the U.S. Trade Representative underscores the U.S. commitment to the Doha Round's success. The imperative remains for our trading partners to show more resolve in opening their markets. Free trade is at the center of President Bush's vision of a world of expanding economic opportunity, prosperity and freedom. Our pursuit of that vision will continue in an uninterrupted and unaltered fashion no matter who speaks for the president in global trade talks. The U.S. has made a clear choice to stand up to forces of economic isolationism and protectionism. We have chosen to reject the path of least resistance, and of incremental but insufficient changes in the global trading system. It is time for all WTO members to seize this last chance to make the same choice.

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Mr. Portman and Ms. Schwab are, respectively, U.S. trade representative and deputy U.S. trade representative. (Editor's note: Mr. Portman has just been named to head the Office of Management and Budget. Ms. Schwab has been nominated to succeed him as USTR.)

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## MINOR AGREEMENT NOT ACCEPTABLE RESULT OF DOHA TRADE TALKS

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USTR's Allgeier warns against further delay on tough issues

By Bruce Odessey  
Washington File Staff Writer

Washington -- A top U.S. trade official says that participants in the long-stalled World Trade Organization (WTO) negotiations should not aim for a deal that achieves only a minor opening of markets.

In a May 1 statement to the negotiations steering group in Geneva, Deputy U.S. Trade Representative Peter Allgeier said also that participants should not delay tough decisions for months more.

"No one should be lulled into thinking that the negotiations, and our jobs of selling the results to our respec-

tive domestic constituencies, will be easier if we all just lower our sights,” Allgeier said. “It won’t be easier.”

The negotiations, formally called the Doha Development Agenda, have stalled almost since they were launched in 2001 over politically divisive issues of cutting agricultural and industrial tariffs and government payments to farmers. April 30 was only the most recent deadline that negotiators missed for agreeing on the modalities, or specific formulas and deadlines, for making such cuts in years ahead.

In the U.S. view, the European Union (EU) and other wealthy markets need to cut sharply support payments to farmers as well as farm tariffs and rapidly expanding developing countries need to reduce barriers to imported manufactured goods and services.

“The developing countries, most of all, need such a result,” Allgeier said. “They will be the biggest losers if we fail.”

Not acceptable, he said, are “cuts on paper” where participants agree to reduce their higher bound tariff rates, the caps set by earlier WTO agreements, but not the lower rates actually now applied.

WTO Director-General Pascal Lamy has instructed participants to engage in vigorous, continuous negotiations until a scheduled monthlong break at the end of July. Allgeier said that even if agreement on modalities were reached, negotiators still would have months of hard work to prepare line-by-line tariff schedules, achieve balanced exclusions from tariff cuts for a few politically sensitive products and elaborate the details about services trade.

“It would be dangerous in the extreme to back load all of the tough decisions to the end of July -- either through a decision, or through inaction,” Allgeier said.

Attempting to revive the negotiations, U.S. Trade Representative Rob Portman and Deputy U.S. Trade Representative Susan Schwab flew to Geneva to meet with Lamy as well as with ministers from Brazil, Australia and Japan and representatives of developing country groups and agriculture-exporting countries. Also in the U.S. delegation is Secretary of Agriculture Mike Johanns.

Schwab has been nominated to succeed Portman, whom President Bush chose as White House budget director.

## UNITED STATES GIVES \$17 MILLION BOOST TO U.N. REFUGEE EFFORT

Refugees in Sudan, Darfur will benefit from assistance

Washington -- The United States is preparing to contribute more than \$17.5 million to the U.N. High Commissioner for Refugees (UNHCR), according to a statement issued by the Department of State May 1.

The contribution comes in response to a UNHCR appeal for the return and reintegration of Sudanese refugees to South Sudan, and protection and assistance to refugees and internally displaced persons in Darfur.

U.S. contributions to UNHCR’s worldwide activities total more than \$238 million for 2006.

“U.S. response to global challenges in these areas reflects our values of promoting human rights, and protecting people from exploitation or coercion,” writes Assistant Secretary for Population, Refugees and Migration Ellen Sauerbrey in an April 24 publication issued by the State Department.

U.S. efforts to assist refugees are also coordinated with an array of other players, she said.

“We work with our partners in non-governmental organizations, international organizations, and government agencies to make this a world where suffering meets a compassionate response, and durable solutions are found for victims of persecution and tyranny,” wrote Sauerbrey, who was sworn into her post in January.

She has traveled to Geneva for consultations with international partners since then, and visited a refugee camp while on a trip to Kenya and Uganda in March.

The United States is the single largest donor nation to the UNHCR.

## GLOBAL DISEASE FUND READY TO OFFER MORE MONEY

384,000 get AIDS drugs; 7.7 million anti-malarial nets in four years

By Charlene Porter  
Washington File Staff Writer

Washington – The Global Fund to Fight AIDS, Tuberculosis and Malaria is ready to consider a new round of program proposals to fight disease. The Geneva-based fund announced April 28 that it will solicit new proposals in 2006, on top of the 350 grants in 131 countries that have been approved since the nonprofit, nongovernmental financial organization began operations in 2002.

The fund has approved disease-fighting programs with price tags totaling \$5.2 billion over their lifetimes, which may be up to five years. Fund procedures are to release dollars gradually as programs gear up and expand, so less than half of the total amount – \$2.1 billion – has been disbursed, according to fund records.

Donors will need to deliver what they have promised if the fund is to meet all its obligations. It has collected only \$4.8 billion in pledges, though donors have promised almost \$9 billion. “The launch of Round Six today allows us to maintain this vital momentum to win the battle against these three pandemics,” said Richard Feachem, executive director of the Global Fund, in a press release.

Through the efforts of the program so far, 384,000 people living with AIDS have begun treatment with anti-retroviral (ARV) therapy, and programs to combat malaria have distributed 7.7 million insecticide-treated bed nets. Fund documents project that on completion of all the projects approved so far, 1.8 million people will be on ARV drugs, 109 million bed nets will have been distributed and more than 1 million orphans will be receiving medical services, education and community care.

“The progress made by programs supported by the Global Fund must be rapidly accelerated,” said Carol Jacobs, chair of the fund’s board. “We know that countries and vulnerable populations are depending on it and we must not fail them.” The United States is the single largest donor to the Global Fund, having pledged \$2.5 billion so far and delivered \$1.5 billion. Sweden and France are also leading donors, with promises of \$1.6 billion and \$900 million, respectively.

Programs to address HIV/AIDS take the largest share of the fund’s resources – 57 percent – with anti-malaria programs receiving 27 percent. Sub-Saharan African organizations and governments have received more Global Fund support than those from any other single region – 55 percent of the funding.

## U.S. CALLS FOR STRONG INTERNATIONAL SECURITY FORCE FOR DARFUR

Rice says NATO prepared to support African, U.N. efforts for Darfur

Washington -- Secretary of State Condoleezza Rice says President Bush feels “very strongly and very passionately” about the need to get a robust international security force to protect the innocent people of Darfur.

At a press conference in Washington May 1 with James Wolfensohn, who is stepping down as special envoy for Gaza disengagement, Rice said the NATO countries are very favorably disposed to support the African Union and the United Nations in sending a security force to Darfur, the western region of Sudan, where militias have been massacring civilians.

“Nobody is talking about NATO forces -- combat forces on the ground. Everybody understands that this will be largely an African Union mission with perhaps some other countries involved in the mission,” Rice added.

Deputy Secretary of State Robert Zoellick is on his way to Abuja, Nigeria, to participate in negotiations on arranging an international force to save lives in Darfur.

Commenting on the Israeli-Palestinian conflict, Rice said that she is concerned that in light of the need for a two-state solution to the conflict, one of the parties, the ruling Palestinian party, Hamas, does not recognize Israel’s right to exist.

She said the international community is sending the message to Hamas that the best interests of the Palestinian people are served by the peace process. Hamas, which does not recognize Israel’s right to exist, won control of the Palestinian legislature in elections in February.

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